

House panel convinced Nixon aides misused CIA

Washington Bureau of The Sun

Washington—A House armed forces subcommittee concluded unanimously yesterday that

top White House aides tried to use the Central Intelligence Agency to cover up the Watergate affair and that CIA and FBI officials believed the aides were "speaking for the President."

The special subcommittee on intelligence also concluded that the CIA "improperly" helped the White House "plumbers" perform a variety of domestic political and intelligence jobs.

The panel placed most of the blame for the CIA's actions on the White House on the ground that the intelligence agency was being "duped" and did not know why its assistance was requested.

According to the report of the subcommittee, which is chaired by Representative Lucien N. Nedzi (D., Mich.), the

CIA improperly supplied equipment that was used in:

- The Watergate burglary.
- The break-in at the Beverly Hills (Calif.) office of Daniel R. Ellsberg's psychiatrist, Dr. Lewis J. Fielding.
- A secret interview in a Denver hospital with Dita D. Beard, lobbyist for the International Telephone and Telegraph Corporation.
- A covert interview in New England with Clifton DeMotte, who supposedly had derogatory information about Senator Edward M. Kennedy (D., Mass.) and the Chappaquiddick incident, in which Mary Jo Kopechne, a Washington secretary, died.

In addition, the committee's report said, the CIA improperly worked on a psychiatric profile of Dr. Ellsberg, who was the object of White House ire for having leaked the Pentagon papers to the New York Times.

And finally, according to the report, efforts were made by the top members of the White House staff "to deflect the FBI investigation of the Watergate break-in by invoking nonexis-

tent conflicts with CIA operations."

Based on 2½ months of secret hearings commencing last May, the committee's report neither blamed nor exonerated President Nixon for the alleged misuse of the CIA.

Asked at a press conference yesterday if it was credible to assume that Mr. Nixon was ignorant of the actions of at least three senior and several junior members of the White House staff, Mr. Nedzi would say only that it would not be "proper" for him to answer.

Blames Haldeman

The report lays the bulk of the blame for misuse of the CIA on H.R. Haldeman, former White House chief of staff; John D. Ehrlichman, former top White House domestic adviser, and John W. Dean 3d, former White House counsel.

Those specifically misusing CIA assistance, according to the report, were G. Gordon Liddy and E. Howard Hunt, Jr., both convicted Watergate conspirators and members of the "plumbers" squad, and David R. Young, Jr., formerly second in command of the covert unit.

On the whole, the report clears CIA officials of complicity in illegal actions but does pinpoint "material inconsistencies" in the various statements of Gen. Vernon A. Walters, deputy director of the CIA.

Mr. Nedzi declined to categorize the statements of General Walters or of any of the White House aides as perjury, but added, "obviously somebody was not telling the truth."

The subcommittee made three tentative legislative proposals that Representative Nedzi hopes to hold hearings on later this month. They would:

- Close one loophole by expressly prohibiting the CIA from engaging in domestic activities, but open another loophole by allowing for just such activities with "the express authorization of the President."
- Tighten language in the law to ensure CIA "protection of intelligence sources and methods."
- "Prohibit transactions between former CIA employees and the agency" except for routine matters. Hunt was successful in gaining CIA help largely because he was a former agent.

'Pressured FBI, CIA to lay off'

House report charges Dean on Watergate

From Tribune Wire Services

WASHINGTON, Oct. 30 — Former White House counsel John W. Dean III put "tremendous pressure" on the Federal Bureau of Investigation as well as the Central Intelligence Agency to limit the first Watergate investigation, a congressional report charged today.

The House intelligence subcommittee report said Dean urged then-acting FBI Director L. Patrick Gray with some 25 calls in two weeks to hold off investigating evidence that campaign contributions for President Nixon were involved in the break-in at Democratic National Committee Headquarters here.

The report quoted Gray as saying Dean's final calls in

the effort shortly after the June 17, 1972, break-in were, in the report's words, "made in such a way as to constitute harassment."

IT QUOTED the deputy CIA director, Lt. Gen. Vernon A. Walters, as saying Dean told him "the problem was how to stop the FBI investigation beyond the five suspects" caught red-handed in the break-in.

The report charged that top White House aides tried to subvert the civilian leadership of the CIA by looking to second echelon career military officers for "unquestioned compliance" with their illegal orders.

It said that Walters gave "strange" and "inconsistent" testimony that seemed aimed

at covering up his role.

The report by the subcommittee, chaired by Rep. Lucien R. Nedzi [D., Mich.] was the first formal report by any congressional body investigating Watergate and related matters.

BASED ON 17 days of testimony from 24 witnesses, the subcommittee recommended a ban on any CIA domestic activity except with the personal consent of the President, transfer of CIA's responsibility to protect itself against domestic dissent to another agency, and prohibition of any CIA official dealings with former agents, such as E. Howard Hunt or James McCord.

The subcommittee's report on its four-month, closed-door probe of CIA involvement in the Watergate scandal also said:

③ When Dean and former top White House aides H. R. Haldeman and John D. Ehrlichman urged that the FBI not investigate the so-called Mexican connection involving Nixon campaign contributions because of possible exposure of secret CIA activities, they were "invoking nonexistent conflicts with CIA operations."

④ The CIA and its top officials were nothing more than "unwitting dupes" in supplying disguises used in the Watergate break-in, the burglary of Daniel Ellsberg's psychiatrist's office and other domestic activities. Altho the subcommittee said there was no evidence the CIA knew what the disguises

would be used for, it obviously should have pressed convicted Watergate conspirator E. Howard Hunt harder to find out before supplying the disguises.

⑤ Testimony of Gray and Ehrlichman conflicted with President Nixon's May 22 statement on how Gray's famous warning to the President that aides were "trying to mortally wound you" came about.

Gray testified that Nixon called back 30 minutes after the acting FBI director gave that warning to a Nixon aide and Gray repeated it to the President, the report said. It quoted Nixon's May 22 statement in which he said he had called Gray on another matter when Gray brought up his concern that, as the President put it, the Watergate investigation would go higher.

GRAY TOLD the Senate Watergate committee the FBI already had learned by then that \$89,000 in campaign contributions had gone thru a Mexican bank and wound up in the Miami bank account of Bernard L. Barker, one of the five men caught in the Watergate break-in.

He said the FBI wanted to interview Kenneth H. Dahlberg of Minneapolis, who had made one of the contributions involved, and Manuel Ogarrio, on whose Mexico City bank the money was drawn before it went into Barker's Miami account.

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Illegal use made of CIA

WASHINGTON — White House aides “misused” the CIA, according to a report of a House Armed Services subcommittee issued Tuesday. The charges made by the subcommittee headed by Rep. Lucien Nedzi (D-Mich) is the first formal report by any Congressional body investigating Watergate and related matters. It is based on testimony from 24 witnesses during a 17-day period.

In the statement accompanying the report, Nedzi wrote: “There is little doubt that Haldeman and Ehrlichman were running much of the Executive branch of the government in domestic matters during the period covered by this report, and there is no doubt that the CIA leadership considered them to be speaking with finality for the President.”

The subcommittee charged that the White House aides got CIA officials to do things in violation of the law which established the CIA. (It should be noted, however, that previous scandals have revealed that the CIA on numerous occasions intervened in U.S. domestic affairs, although it is expressly prohibited by law from doing so.)

The subcommittee charged that CIA deputy director Lt. Gen. Vernon Walters gave “strange” and “inconsistent” testimony that seemed aimed at covering up his role in the illegal use of the CIA. The subcommittee made a specific effort to absolve civilian heads of the CIA from complicity in the illegal acts.

It stated: “When these requests (by White House aides) for CIA assistance were made there was a clear picture of White House aides avoiding former Director Richard Helms and looking to career military officers, Marine Gen. Robert E. Cushman and later Army Lt. Gen. Walters for unquestioned compliance.”

The subcommittee concluded that the CIA acted “improperly” and was “insufficiently cautious” in providing disguises and equipment for E. Howard Hunt for illegal activities.

Nedzi said in an interview that no punitive steps are being contemplated at this time against the CIA or its top officials -- despite the undisputed evidence of

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OVERSEAS

Congressmen accuse White House of trying to place blame for Watergate on CIA

From Patrick Brogan
Washington, Oct 30

A Congressional subcommittee has concluded that the White House had been using the Central Intelligence Agency for improper political purposes before the Watergate affair, and that it attempted to put the blame for Watergate itself on the CIA.

The subcommittee said it was puzzled by a flagrant contradiction between the account of one episode offered by President Nixon and that offered by witnesses in testimony.

The House of Representatives armed services committee's subcommittee on intelligence has the duty of keeping an eye on the CIA. The Senate Watergate committee heard the same witnesses on the same problems and may yet report in the same sense; but its work is far from complete while the House subcommittee, with a much smaller field to plough, has got in first. Its chairman is Representative Lucien Nedzi, a Democrat from Michigan.

The subcommittee's report states that the White House made frequent requests to the CIA for assistance and that these requests were treated as orders by the agency. When Mr John Ehrlichman telephoned the agency's deputy director, General Robert Cushman, asking him to provide assistance

for Mr E. Howard Hunt, the General agreed at once and never asked Mr Hunt what the assistance was needed for.

Mr Hunt was a member of the White House "plumbers' group", and in July, 1971, told the General that he was engaged in a matter of the gravest importance to national security. The General arranged for him to be given a wig, a voice-altering device, identity papers and other equipment to conduct a confidential interview.

In fact the interview was part of the White House attempt to find out anything discreditable it could about Senator Edward Kennedy. Mr Hunt wanted to see someone who claimed to have some damaging information on the Kennedys.

Later, the agency was asked to provide more equipment, for Mr Gordon Liddy (another "plumber") and cameras. All this was used in the burglary of the office of the psychiatrist treating Dr Daniel Ellsberg, the Pentagon Papers case defendant, without its knowledge. The CIA was thus involved by the White House in one illegal and one extremely sordid affair.

Furthermore, even though the agency is forbidden by its statute to act as a secret police organization, it agreed to try to produce a "psychiatric" profile of Dr Ellsberg.

A first version was produced in July, 1971. It was found to be inadequate, and the Ellsberg burglary followed in September

in an attempt to get more material. A second version of the profile (to which the burglary had contributed nothing) was produced in November.

After the Watergate break-in came the cover-up, and the House subcommittee report goes carefully through the conflicting testimony of the various people involved.

Its conclusion is that the White House, in the persons of the Presidential staff members, Mr Ehrlichman, Mr H. R. Halde- man, and Mr John Dean, tried to persuade the CIA to accept the responsibility for an essential part of the cover-up and even for the burglary itself.

The CIA, in the person of its new deputy director, General Vernon Walters, was persuaded to drop heavy hints to the Federal Bureau of Investigation that it should not pursue too closely the source of the money found in the burglars' possession, which, in fact, came from the committee to reelect the President.

The report notes that General Walters acquiesced in the proposal and was most cooperative, at least to begin with. The CIA kept on the right side of the White House, but when things got difficult it backed out of the cover-up which the FBI and the Justice Department were floundering into.

The report notes contradictions in General Walters's testimony and does not seem to believe him on some matters.

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31 OCT 1973

Sen. Saxbe Says He May Become New Attorney General

BY ROBERT L. JACKSON

Times Staff Writer

WASHINGTON—Sen. William B. Saxbe of Ohio, an outspoken Republican who has at times criticized the Nixon Administration, said Tuesday he might become the new attorney general.

Saxbe, encountering reporters in a Capitol corridor, said presidential aides had discussed the job with him but that he had not yet talked with President Nixon.

"They consider me a likely candidate," he said. "I'm concerned with the overall problem of the Justice Department. I'm anxious to get it back on the track."

Later both Associated Press and United Press International reported that Saxbe had been chosen by Mr. Nixon for the post. The White House refused to confirm or deny the reports.

In his talk with reporters, Saxbe, 57, a former attorney general of Ohio, called the Cabinet post "a real challenge," adding: "If I can continue to serve my country I'll do it."

He had previously announced plans to retire next year rather than seek a second six-year term in the Senate.

Associates said his biggest concern was how much freedom he would enjoy as attorney general, and that was what he wanted to discuss with Mr. Nixon.

Asked about the power of a new special Watergate prosecutor, Saxbe

said: "I would expect the President to furnish any material that the prosecutor needed, and I was told that was no problem."

Considered a maverick by some in the Administration, Saxbe last December criticized U.S. bombing of North Vietnam, saying the President "must have taken leave of his senses." He has also been critical of H. R. Haldeman and John D. Ehrlichman, two former White House assistants who have been implicated in the Watergate scandal.

Shortly after the Watergate case was broken open earlier this year, Saxbe was asked whether he thought the White House had known what was going on.

He replied: "That's like saying the piano player didn't know what was going on upstairs."

The Saxbe development capped a busy day of Watergate-related activity.

A House subcommittee, in the first congressional report on the scandal, said officials of the Central Intelligence Agency were "unwitting dupes," acting with "no support in reason or law" to fulfill White House requests.

The special subcommittee on intelligence of the House Armed Services Committee said federal laws must be strengthened to prevent misuse of the CIA for political or domestic intelligence purposes.

The panel, headed by Rep. Lucien N. Nedzi (D-Mich.), recommended new legislation to keep CIA functions within the field of foreign intelligence "except as is personally approved by the President."

In addition, it called for tightening regulations governing how far the agency may go to protect its confidential sources. It also said that contacts between the CIA and former employees — such as E. Howard Hunt Jr. — should be strictly limited.

In other Watergate developments Tuesday:

—Mr. Nixon's attorney met for two hours with chief U.S. Dist. Judge John J. Sirica to make preliminary arrangements for delivering nine White House tapes, for Sirica's private inspection. It was decided that Sirica would hear in closed session presidential claims of privilege on portions of the tapes. Another meeting is planned Friday.

—The Senate Watergate committee voted unanimously to press for congressional approval of a bill giving the committee the right to sue in court again for access to the tapes. Sirica had ruled that he lacked jurisdiction regarding this congressional request.

The Senate committee

decided to reschedule today into presidential campaign director Edmund S. Muskie and Clark Mactmer director of on's campaign tion.

The committee seek immunity from prosecution for national prospectives who wotitioned about chances. They Meier, former lionaire Howard and Robert Robert Isham, ated with the

Milk Producers, Inc. A decision was postponed on calling C. G. (Bebe) Rebozo, Mr. Nixon's close friend who received \$100,000 in contributions from Hughes in 1969 and 1970.

—Federal banking officials expect to complete an investigation of Rebozo's handling of stolen stock certificates in about three weeks and will decide after that whether to suspend him as chairman and president of his bank in Key Biscayne, Fla., board Chairman Frank Wille of the Federal Deposit Insurance Corp. announced.

Rebozo's bank made a loan of \$195,000 with the stolen stock put up as collateral, and has been accused of cashing in part of the stock after being informed that it was stolen. Rebozo denies that he knew the stock was stolen.

In its report on the CIA, based on 17 days of closed-door hearings, the Nedzi subcommittee catalogued a series of failures and improper acts by agency officials and high White House aides.

Starting in 1971, the report said, the CIA "improperly" provided Hunt — then a White House consultant — with disguises and a voice-altering device without determining "whether the purposes were in keeping with the statutory mission of the CIA."

Mr. Hunt was not pressed for the details of his mission prior to any agreement to meet his request, as normally should be the case."

At the same time, without Cushman's knowledge, other CIA officials were preparing a psychiatric profile on Ellsberg at Hunt's request in connection with the leaking of the Pentagon Papers, the report noted. It called this activity "an abuse of CIA facilities."

The subcommittee also found "material inconsistencies" between the testimony of Lt. Gen. Vernon A. Walters, deputy director of the CIA, and a memorandum he wrote in June, 1972.

The subcommittee said Walters testified he had offered no helpful suggestions to John W. Dean III at a time when Dean, as White House counsel, was seeking to find a plausible explanation for the Watergate break-in that could be offered publicly.

However, in a memo he wrote after visiting Dean, Walters revealed he told Dean that Cubans had "a plausible motive for attempting this amateurish job" because they were "anxious to know what the policies of both parties would be towards Castro," according to the subcommittee.

continued

WATERGATE ROLE OF C.I.A. SCORED

Special House Unit Reports Activities 'Had No Support in Reason or Law'

By DAVID E. ROSENBAUM

Special to The New York Times

WASHINGTON, Oct. 30—In the first formal report of a Congressional panel investigating the Watergate scandal, a House subcommittee said unanimously today that the Central Intelligence Agency had operated in a way that "had no support in reason or law."

The C.I.A. and its highest officials, the subcommittee said, were "the unwitting dupes for purely domestic White House staff endeavors that were beyond the realm of C.I.A. authority."

The panel—the Special Subcommittee of Intelligence of the House Armed Services Committee—is responsible for overseeing the activities of the intelligence agency.

Under the chairmanship of Representative Lucien N. Nedzi, a Michigan Democrat, the subcommittee interviewed two dozen witnesses, including top officials of the White House

and the C.I.A., in closed sessions last spring and summer.

The purpose of the inquiry was to determine the role of the agency in the Watergate burglary and other activities in which Administration aides have been implicated, such as the burglary at the office of Dr. Daniel Ellsberg's former psychiatrist.

Most of the persons interviewed by the subcommittee have testified in public to the Senate Watergate committee, and the House thus added little additional investigative data to the public record.

Evaluation of Data

But, unlike the Watergate committee, which has not released a report of its findings, the Armed Services subcommittee attempted to evaluate the information it obtained from its interrogation.

Among the subcommittee's conclusions were the following:

¶The C.I.A. was operating outside the law, which prohibits its participation in purely domestic security matters, when it provided a disguise, false identification papers and other paraphernalia to E. Howard Hunt Jr., who was convicted in the Watergate conspiracy and who has acknowledged planning the Ellsberg burglary.

¶It was "an abuse of C.I.A. facilities" for the agency, at

the insistence of top White House officials to prepare a psychological profile of Dr. Ellsberg.

¶The C.I.A. did not know it was being used for improper purposes and resisted later efforts to involve the agency.

¶John W. Dean 3d, the former White House counsel, put "tremendous pressure" on the Federal Bureau of Investigation and the C.I.A. to limit the early Watergate investigation. H. R. Haldeman, former Presidential chief of staff, and John D. Ehrlichman, former White House domestic counselor, also tried to "deflect" the F.B.I.'s work "by invoking nonexistent conflicts with C.I.A. operations."

¶Requests from top-level White House aides in the present Administration were, almost without exception, taken as orders from people who were speaking for the President.

¶These aides avoided Richard Helms, then Director of Central Intelligence, and dealt instead with his deputies, Gen. Robert E. Cushman Jr. and later Gen. Vernon A. Walters, both of whom owed their positions to President Nixon.

The subcommittee said that it was preparing legislation that would prohibit the C.I.A. from participating in any domestic functions without the personal authorization of the President.

OMAHA, NEBR.
WORLD HERALD

M - 125,376
S - 273,394
OCT 31 1973

House Panel Labels CIA 'Unwitting Dupe'

From World-Herald Press Services.

Washington — A House subcommittee that spent four months probing the role of the Central Intelligence Agency in the Watergate case has concluded that top CIA officials were "the unwitting dupes for purely domestic White House staff endeavors."

In a report released Tuesday, an Armed Services subcommittee headed by Rep. Lucien N. Nedzi, D-Mich., said at least three former top White House aides improperly pressured the CIA into activities beyond the scope of its legal authority.

At the same time, the subcommittee criticized the agency for acquiescing to the White House requests without first determining their legitimacy.

The subcommittee said the agency repeatedly bowed to White House requests without checking whether such compliance overstepped the CIA's legal authority.

False I.D.

The report said the CIA "improperly" provided former White House "plumber" E. Howard Hunt Jr. false identification papers, disguises and other materials without determining precisely for what purpose.

The aid to Hunt was provided after former presidential adviser John D. Ehrlichman telephoned CIA Deputy Director Robert Cushman in July 1971 asking that Hunt be given CIA assistance for an unspecified "sensitive" mission, the report said.

The materials provided to Hunt by the agency were later used in the Daniel Ellsberg and Watergate burglaries and in two other purely political activities, one involving the ITT scandal, the other Sen. Edward M. Kennedy, D-Mass., the report said.

'Abuse'

The CIA is prohibited by law from engaging in domestic intelligence activities.

After the Watergate break-in on June 17, 1972, the subcommittee said, three former White House aides tried "to deflect the FBI investigation . . . by invoking nonexistent conflicts with CIA operations."

The aides were Ehrlichman, former White House chief of staff H. R. Haldeman and former presidential counsel John Dean, the report said.

Dean in particular "attempted to use the CIA to provide assistance to the Watergate defendants in a clear violation of the statutory charter of the CIA and even made the astonishing request that the agency provide bail money for the suspects," the report said.

Cuban Cover

The House panel concluded that the CIA, although somewhat slow to react, did ultimately resist White House efforts to drag it into the Watergate cover-up.

Nedzi said "I'm personally troubled by the inconsistencies" in testimony by Vernon A. Walters, deputy CIA director, on whether he suggested a Cuban rather than a CIA involvement could be used to cover up the break-in, the Associated Press reported.

The report quotes Walters as first testifying to the subcommittee last May 16 that when Dean first pressed him for ideas he said: "Perhaps the Cubans who were anti-Castro might have had a hand in it, but the CIA did not."

The report said that is "in sharp contrast" to Walters' testimony to the subcommittee last June 29 that:

"He (Dean) then asked if I had any ideas and I said that

this affair already had a strong Cuban flavor and everyone knew the Cubans were conspiratorial and anxious to know what the policies of both parties would be toward Castro. They, therefore, had a plausible motive for attempting this amateurish job . . .

"Dean said he agreed that this was the best tack," the report said.

Gray Pressured

The report said Dean put "tremendous pressure" on the then acting FBI director, L. Patrick Gray, as well as Walters to hold off investigating the first evidence that campaign contributions for President Nixon were involved in the Watergate break-in.

Dean called Gray some 25 times in the two weeks between June 22 and July 6, the report said, to say pursuit of the so-called Mexican connection might expose secret CIA activities, and to hold off investigating it.

This was information the FBI had the week after the break-in that Nixon campaign contributions from Kenneth H. Dahlberg and contributions laundered through the Mexico City bank account of a Manuel Ogarrio had wound up in the Miami bank account of Bernard Barker, one of the five men caught in the break-in.

M - 453,842

S - 849,541

OCT 31 1973

White House Hit On Orders to CIA

WASHINGTON. -- The White House undermined civilian leadership of the Central Intelligence Agency before and during the Watergate crisis and looked to the agency's military officials for "unquestioned compliance" with illegal orders, a House subcommittee charged Tuesday.

The Armed Services subcommittee on intelligence operations, headed by Rep. Lucien Nedzi (D., Mich.) also charged that the CIA deputy director, Lt. Gen. Vernon Walters, gave "strange" and "inconsistent" testimony that appeared aimed at hiding his own role in White House attempts to throw a national security blanket over Watergate.

But Nedzi declined pointedly to characterize Walters' testimony as perjury because there was no evidence Walters set out deliberately to deceive the subcommittee, and because one of two statements he made to it was not taken under oath.

Chairman F. Edward Hebert (D., La.), of the full House Armed Services Committee said the CIA "as an agency" "resisted every attempt to involve it" in the Watergate coverup.

"The CIA is absolutely clean," Hebert said.

Nedzi and his subcommittee said at least three basic changes were needed in the CIA charter to prevent a repetition of such incidents as the psychiatric profiling of Daniel Ellsberg and efforts by the White House to get CIA to take the blame for the Watergate break-in.

The changes included:

—Ban on any CIA domestic activity unless the President personally approved.

—Transfer of CIA's responsibility to protect its domestic sources and methods of operation to another agency, probably the FBI.

—Prohibition of any CIA official dealings with former agents like E. Howard Hunt, James W. McCord or even onetime director John McCona.

Nedzi said the basic pattern that emerged from the investigation was one in which second-echelon White House aides pretended they had Presidential authority to ask for CIA help.

The subcommittee concluded that "when these requests for CIA assistance were made there was a clear picture of White House aides avoiding former director (Richard) Helms and looking

to career military officers (Marjine Gen. Robert E.) Cushman and later (Army Lt. Gen.) Walters for unquestioned compliance."

But Nedzi noted CIA has traditionally had military men in its top ranks because so much foreign intelligence involved military affairs.

"I don't find fault with this as long as they understand their responsibilities and show a little stiffer back in regard to requests from second-level White House people," he concluded.

The report said the CIA, Helms and then Deputy CIA Director Robert Cushman were nothing more than "unwitting dupes" in supplying disguises for what it called improper domestic activities.

It said that Watergate conspirator E. Howard Hunt first sought the disguises for an interview related to Sen. Edward M. Kennedy's Chappaquiddick accident.

RALEIGH, N.C.
NEWS & OBSERVER

M - 130,652
S - 148,247

OCT 3 1973

Panel: CIA Was Duped

WASHINGTON — In the first formal report of a congressional panel investigating the Watergate scandal, a House subcommittee declared unanimously Tuesday that the Central Intelligence Agency had operated in a way that "had no support in reason or law."

The CIA and its highest officials, the subcommittee said, were "the unwitting dupes for purely domestic White House staff endeavors that were beyond the realm of CIA authority."

The panel — The special subcommittee on intelligence of the House Armed Services Committee — is responsible for overseeing the activities of the CIA.

Under the chairmanship of Rep. Lucien N. Nedszi, D-Mich, the subcommittee interviewed two dozen witnesses, including top officials of the

White House and the CIA in closed-door sessions last spring and summer.

The purpose of the inquiry was to determine the role of the agency in the Watergate burglary and other administration activities such as the burglary at the office of Dr. Daniel Ellsberg's former psychiatrist.

Watergate Testimony

Most of the persons interviewed by the subcommittee have told their stories in public to the Senate Watergate Committee, and the House panel thus added little additional investigative data to the public record.

But, unlike the Watergate committee, which has not released a report of its findings, the armed services subcommittee has completed its attempt to evaluate the information it obtained from its interrogation.

Among the subcommittee's conclusions were the following:

— The CIA was operating outside the law, which prohibits its participation in purely domestic security matters, when it provided a disguise, false identification papers and other paraphernalia to E. Howard Hunt Jr., who was convicted in the Watergate conspiracy and who has acknowledged planning the Ellsberg burglary.

— The CIA did not know it was being used for improper purposes and resisted later efforts to involve the agency.

— John W. Dean III, the former White House counsel, put "tremendous pressure" on the Federal Bureau of Investigation and the CIA to limit the early Watergate investigation. H. R. Haldeman,

former presidential chief of staff, and John D. Ehrlichman, former White House domestic counselor, also tried to "deflect" the FBI's work "by invoking nonexistent conflicts with CIA operations."

— "Requests from top-level White House aides in the present administration were, almost without exception, taken as orders from people who were speaking for the President."

— These aides avoided Richard Helms, then director of the CIA, and dealt instead with his deputies, Gen. Robert E. Cushman Jr. and later Gen. Vernon A. Walters, both of whom owed their positions to President Nixon.

The subcommittee said that it was preparing legislation that would prohibit the CIA from any domestic functions without the personal authorization of the President.

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SAN FRANCISCO, CAL.
 EXAMINER
 E - 204,749
 EXAMINER & CHRONICLE
 S - 640,004
 OCT 31 1973

White House 'used' CIA

United Press

WASHINGTON — Top White House aides tried to subvert the civilian leadership of the Central Intelligence Agency by looking to second echelon career military officers for "unquestioned compliance" with their illegal orders, a House subcommittee charged today.

The armed services subcommittee on intelligence operations also charged that CIA Deputy Director Lt. Gen. Vernon Walters gave strange and inconsistent testimony that seemed aimed at covering up his role.

The subcommittee made the charges in the first formal report by any congressional body investigating Watergate and related matters.

Based on 17 days of testimony from 24 witnesses, the subcommittee recommended a ban on any CIA domestic activity except with the personal consent of the President, the transfer of CIA's responsibility to protect itself against domestic dissent to another agency, and the prohibition of any CIA official dealings with former agents such as E. Howard Hunt or James McCord.

The subcommittee cited 1971 White House efforts to get CIA help in the Ellsberg investigation and 1972 attempts by White House aides H. R. Haldeman, John Ehrlichman and John W. Dean III to use CIA to stop the investigation of Watergate, and said:

"When these requests for CIA assistance were made

there was a clear picture of White House aides avoiding former Director (Richard) Helms and looking to career military officers, (Marine Gen. Robert E.) Cushman and later (Army Lt. Gen.) Walters for unquestioned compliance."

The report charged there were material inconsistencies between the testimony of Walters and his own memoranda of the 1972 period.

In one memorandum Walter's recorded himself as having suggested to Dean that the break-in might be blamed on Cubans trying to find out what the Democratic Party's policies toward the Castro government would be. But he and Dean agreed that the cost of such a cover story might be a half million dollars, presumably in hush money to the jailed men.

In his testimony Walters skipped over the money aspect entirely and twice said Dean suggested the anti-Castro Cubans theory.

The committee also said Walters testified that he failed to tell former FBI Director L. Patrick Gray there was no CIA involvement in Watergate because he thought "Dean would pass the word to the FBI."

"To be charitable," the subcommittee's aid, "the best that can be said for that explanation is that it is rather strange. General Walters, by his own admission, was concerned that Dean was attempting to blame CIA for Watergate, and in that frame of reference one could hardly expect Dean to be the vehicle for informing Mr. Gray."

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CIA Seen as a Dupe In Watergate Affair

Hill Unit Cites Administration Contradictions

By Laurence Stern
Washington Post Staff Writer

The first congressional report on the Watergate scandal yesterday cited major contradictions in statements by President Nixon and his top aides in efforts to draw a national security cover over the affair.

In completing its 12-week investigation, the House Armed Services Subcommittee on Intelligence concluded that the Central Intelligence Agency had been duped by top White House officials seeking to stall an FBI investigation of the Watergate break-in.

The report, at one point, strongly suggested that President Nixon publicly misrepresented his purpose in phoning former FBI acting Director L. Patrick Gray III on July 6, 1972—a crucial day in the Watergate investigation.

The President's call came half an hour after Gray telephoned Mr. Nixon's campaign manager, Clark MacGregor, to express his concern over White House pressures to suspend FBI inquiries into the Watergate case's Mexican connection. At issue were funds processed through a Mexico City bank linking members of the Watergate break-in team to the Nixon re-election committee.

In the President's account of the phone call, delivered in a statement last May 22, Mr. Nixon said he telephoned Gray "to congratulate him on the successful handling of the hijacking of a Pacific-Southwest Airlines plane the previous day. During the conversation Mr. Gray discussed with me the progress of the Watergate investigation..."

But the subcommittee report cited testimony by former White House counsel John D. Ehrlichman that the President's call was

prompted by "MacGregor's conveying a request from Gray to the President."

Ehrlichman acknowledged under questioning by subcommittee Chairman Lucien N. Nedzi (D-Mich.) that the President's public account of the conversation did not square with the version Mr. Nixon gave him.

The significance of the conversation is that it signaled the refusal of Gray and CIA Deputy Director Gen. Vernon A. Walters to go along any further with strong pressures by the President's then-counsel, John W. Dean III, to delay investigation of the Mexican fund connection.

These pressures originated, according to the testimony, with instructions from the President to his former chief of staff, H. R. (Bob) Haldeman, to get assurances that the FBI investigation of Watergate would not expose covert CIA operations or activities of the White House "plumbers."

Between June 22, 1972, and Gray's final declaration to the President in the July 6 conversation that "people on your staff are trying to mortally wound you by using the FBI and CIA," Haldeman, Ehrlichman and Dean interceded in efforts to stall the FBI investigation, according to the testimony in the case.

After Gray made clear to the President that neither he, on behalf of the FBI, nor Walters, on behalf of the CIA, could go along with the delay, Mr. Nixon said: "Pat, you continue to conduct your thorough and aggressive investigation." This was Gray's testimony.

The subcommittee noted that as early as June 22—the day the President expressed concern over possible FBI exposure of covert CIA activities—former CIA Director Richard M. Helms assured Gray there was no such danger. Helms reiterated his conclusion the following day at a White House meeting with Walters, Haldeman and Ehrlichman.

Yet Haldeman instructed Walters on June 23 to go to Gray immediately and tell investigation might breach national security by exposing

covert CIA activities. The effect of this and an ensuing series of contacts between Dean and Walters delayed for more than two weeks the FBI investigation of the most concrete tie-in at that point in the case between the Watergate break-in and the Nixon re-election committee.

The subcommittee criticized Walters for failing to tell Gray on June 23 that the White House concern over exposing CIA operations by pursuing the Watergate trail was unfounded.

"It remains a good question why General Walters failed to assure Mr. Gray of the lack of CIA conflict in the Mexico matter immediately after it was so determined on June 23, 1972," the report observed.

Walters testified that he assumed Dean would pass the word to Gray "that there was absolutely no CIA problem."

The subcommittee thought differently. "To be charitable," the report concluded, "the best that can be said for that explanation is that it is rather strange."

"General Walters, by his own admission, was concerned that Dean was attempting to blame CIA for Watergate, and in that frame of reference, we could hardly expect Dean to be the vehicle for informing Mr. Gray that there was no CIA-Mexican connection."

The subcommittee bared a major conflict in the testimony of Gray and Walters. Walters said he told Gray on June 23 that he had been "directed" by top White House officials to warn Gray that the FBI investigation in Mexico would jeopardize covert CIA operations there; that in view of the first five Watergate arrests it would "be better to taper the matter off there."

Gray denied that Walters mentioned senior White House officials as the source of this concern.

"Mr. Gray was vehement in his statement that Walters did not mention 'senior people at the White House.' The important aspect of that testimony is that Mr. Gray said he thought Walters was lying," the subcommittee said.

In his testimony to the subcommittee, the former FBI director expressed his own sense of helpless puzzlement.

"With both Helms and Walters present (at the June 23 White House meeting) they acquiesce in this move to send Walters over to give me a message they both know to be false. At least Helms does, because I talked to him on 6-22-73 and he said no CIA involvement."

The subcommittee did not pursue the question of why Gray needed the assurance of the No. 2 man in the CIA when, by his own testimony, he had already received it from the man in charge of the agency, Helms.

As a result of the weeks of executive session testimony by CIA officials, former White House aides and Watergate defendants, the subcommittee proposed three legislative recommendations intended to tighten loopholes in the CIA's statutory charter. They would:

- Require the President to approve any violations of the prohibition in the National Security Act against domestic operations by the CIA.
- Tighten phraseology in the act that might otherwise permit the agency to intrude into the domestic sector.
- Prohibit dealings between former CIA employees and the agency "beyond purely routine administrative matters."

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Cox's Evidence Indicates Helms Lied in Bid to Stymie FBI Disclosed Coverup

By PATRICK J. SLOYAN
News American Washington Bureau

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WASHINGTON — Federal investigators have obtained Central Intelligence Agency documents that indicate former Director Richard Helms lied under oath about his role in White House attempts to mask the Watergate burglary as a CIA operation.

Archibald Cox obtained the new evidence shortly before he was fired as special prosecutor by President Nixon.

In testimony before the Senate Judiciary Committee Monday, Cox said he had obtained a memo written by a "major witness" that was "at odds" with testimony by that witness and others involved in the Watergate scandal.

Although Cox did not name the witness, it was learned that it was Helms, now U. S. ambassador to Iran.

The evidence is significant in the Helms' immediate superior in 1972 was Nixon.

At issue are efforts by Nixon's top aides to use the CIA to blunt the FBI investigation of the break-in at Democratic National Headquarters on July 17, 1972.

In both public and private testimony before a variety of congressional committees and the Watergate federal grand jury, Helms insisted he blocked White House efforts to

use the CIA as a scapegoat.

The new evidence, however, indicates Helms was behind the CIA effort to limit the FBI probe. Only two days after the burglary Helms ordered his deputy to request the FBI to "desist and confine the investigation to those arrested" or the FBI would "run afoul" of CIA operations.

Helms gave those orders to Deputy Director General Vernon Walters at a CIA meeting on July 19 and later in a memo on July 28. Walters is still No. 2 man at the CIA. The minutes of the meeting and the memo have been made available to Cox's staff by the CIA.

The evidence contrasts sharply with Helms' contention that he knew from the outset there was no CIA involvement in Watergate — no matter what the White House said.

Less than a week after the break-in Helms and Walters were summoned to a morning White House meeting with

Haldeman and John Ehrlichman. In front of Helms, the two Nixon aides told Walters to warn acting FBI Director L. Patrick Gray that the FBI Watergate investigation might uncover a CIA operation in Mexico City.

Because the order came from Nixon's top men, Walters said he relayed the message to Gray at a meeting later the same day.

It was later learned that money used to finance the Watergate burglary had been "laundered" in Mexico City to cover its source — the committee for the Re-election of the President.

The President himself, in statements on the Watergate coverup, said he had been warned that the FBI probe might disturb CIA operations. Nixon said he was still concerned that the CIA might be involved — despite assurances it was not.

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Impeachment Demands and More Investigations

By Lawrence Meyer
Washington Post Staff Writer

President Nixon's dramatic decision to finally turn over nine White House tape recordings and other materials to Chief U.S. District Judge John J. Sirica still leaves him facing three congressional resolutions for his impeachment and others calling for new investigations of his conduct in office.

"The President's belated action" on the tapes, the 29 cosponsors of one House impeachment resolution said in a statement last week, "removes only one of the grounds on which we sought impeachment."

Although White House actions connected with the Watergate affair are a focus of impeachment, the congressional and remaining prosecutorial investigations extend far beyond Watergate to include:

- President Nixon's personal finances.

- Receipt by President Nixon's close friend, Charles G. (Bebe) Rebozo, of \$100,000 in cash from an emissary of Howard Hughes in 1969 and 1970.

- Government actions affecting Rebozo's monopoly bank and a new savings and loan association in Key Biscayne.

- Campaign contributions made to President Nixon by dairymen who received an increase in milk price supports in a reversal of Administration policy.

- The settlement of the federal antitrust action against ITT.

- President Nixon's short-lived decision to implement a domestic surveillance plan that his advisers had told him contained "clearly illegal" elements.

Involved in the ITT matter is a pledge of a \$400,000 campaign contribution by ITT to the Republican Party and the settlement of the Justice Department's antitrust suit against the international conglomerate.

A March 30, 1972 memo from the special Presidential counsel Charles W. Colson to then White House chief of staff H. R. (Bob) Halde- man warned that Senate Judiciary Committee hearings then in progress could produce revelations about the ITT case that "would lay this case on the President's doorstep." Such testimony was not given at those hearings.

The Senate committee staff also is investigating the two separate contributions of \$50,000 each made in 1969 and 1970 by an emissary of billionaire re- cluse Howard Hughes to Charles G. (Bebe) Rebozo, Mr. Nixon's close friend.

According to Rebozo, he held the contributions in a safe deposit box for three years and then returned them to one of Hughes' lawyers. Mr. Nixon said at his press conference Friday night that the money was intended to be a contribution for his 1972 campaign.

Richard G. Danner, managing director of the Hughes-owned Sands Hotel and gambling casino in Las Vegas, said in a Sept. 4 deposition that the first \$50,000 was intended for Mr. Nixon's 1968 presidential campaign—even though it was given after the fact—and that the second \$50,000 was for the 1970 congressional campaigns.

A deposition by Robert A. Maheu, former manager of Hughes' Nevada operations, gives no clear indication of why the first \$50,000 contribution was made, but states that the second \$50,000 payment was connected to efforts by Hughes to persuade Mitchell, then attorney general, to overrule objections by the Justice Department's antitrust division to a proposed acquisition of another hotel and gambling casino in Las Vegas.

Although Maheu and Danner disagree about the purpose of the contributions, their sworn statements also conflict with President Nixon's explanation.

Maheu also states in his deposition that Rebozo "had been chosen by Mr. Nixon as the person to whom the money should be delivered."

Questions also have been raised about the Nixon administration's decision to refuse to grant a bank charter to Florida businessmen seeking to open a competitor to Rebozo's bank on Key Biscayne. The administration twice overruled strong recommendations from two federal bank examiners recommending the competitive charter.

Just a month after the Treasury Department's comptroller of the currency ruled that the rival group had shown only a "marginal banking need" in Key Biscayne, the Federal Home Loan Board granted two directors of Rebozo's bank a charter for a new savings and loan institution in Key Biscayne. Rebozo will be the landlord for the new institution.

In addition, questions have been raised concerning Mr. Nixon's personal fi-

nances, including a \$200,000 tax savings he realized by the donation of prepresidential papers, to the National Archives, the purchase of his home in San Clemente, Calif. with the aid of a loan from industrialist Robert Abplanalp who later purchased property back from Mr. Nixon with Rebozo as a silent partner, and the expenditure of nearly \$10 million in public funds to make improvements in and around Mr. Nixon's homes in San Clemente and Key Biscayne.

The most recent revelation concerning expenditures of public funds for Mr. Nixon's retreats was the report that almost \$2.4 million—more than was spent by his three immediate predecessors combined—has been spent on Camp David since Mr. Nixon assumed office five years ago. Of this total, \$150,000 was spent for a swimming pool next to the presidential lodge in 1969.

The Senate select Watergate committee is expected to inquire further into the ITT settlement when it resumes its hearings next week.

The Senate committee staff also is investigating the relationship between contributions of \$427,500 from three dairy cooperatives in 1971 and 1972 much of it to secret Nixon campaign committees, and the reversal of a decision by the Department of Agriculture not to increase its milk price support levels.

Dairy co-op leaders said the President's decision raising the price support level from 75 per cent to 85 per cent of parity added from \$500 million to \$700 million to dairy farmers income. A document recently unearthed by the White House in connection with civil litigation shows that top White House aides and fund raisers originally expected \$2 million in contributions from segments of the dairy industry.

The most extensive public record to date, however, concerns the "Watergate affair." President Nixon's own public statements as well as the testimony of present and former aides before the Senate select Watergate committee form a foundation for the Watergate cover-up.

"Many times in the his-

tory of our country," Mr. Nixon said on May 30, "administrations have failed to meet the test of investigating those charges that might be embarrassing to the administration because they were made against high officials in an administration."

"We have had such a situation, we have been confronted with it, we are dealing with it, and I will simply say to you tonight that the nation—Republicans, Democrats, Independents, Americans—can have confidence in the fact that the (Attorney) General, Elliot Richardson, and the special prosecutor that he will appoint in this case will have the total cooperation of the executive branch of this government."

Less than six months later, Elliot Richardson resigned as Attorney General after stating his unwillingness to comply with an order from President Nixon to fire Special Watergate Prosecutor Archibald Cox. According to Cox' statement at a press conference earlier in the day he was fired, President Nixon had been giving less than "total cooperation" to the special prosecutor's investigation of the Watergate affair.

President Nixon's actions concerning Cox and the tapes form the basis of a impeachment resolution introduced by Rep. Jerome Waldie (D-Calif.) and cosponsored by 29 other Democrats. The resolution accuses Mr. Nixon of obstructing the administration of justice by forcing the resignation of Richardson, by firing Deputy Attorney General William D. Ruckelshaus and by firing Cox, contrary to the President's promise to the Senate, made through Richardson, not to interfere with the special prosecutor's investigation.

But the charges outlined in the Waldie resolution form only one potential basis for impeachment. In a statement by Waldie on Oct. 23 he described Mr. Nixon's actions as "a cover-up of a cover-up, an obstruction of processes of justice aimed at those guilty of obstructing justice."

continued

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[H.A.S.C. No. 93-25]

INQUIRY INTO THE ALLEGED INVOLVEMENT
OF THE CENTRAL INTELLIGENCE
AGENCY IN THE WATERGATE
AND ELLSBERG MATTERS

REPORT
OF THE
SPECIAL SUBCOMMITTEE ON INTELLIGENCE
OF THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
NINETY-THIRD CONGRESS
FIRST SESSION
OCTOBER 23, 1973



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WASHINGTON : 1973

Betty Beale*Around the Town*

● EUROPEANS CANNOT understand the fuss made over Watergate but a high European official has described it in this manner: "You Americans do not have the political climate for a military coup, but to undo the results of your election of 1972, you are now undergoing a juridical coup."

Dick Walters, the articulate lieutenant general who as deputy director of the CIA testified before the Watergate committee, describes it another way: "To keep a scandal like this alive without either sex or money (for personal gain) is one of the prodigious feats of journalism of all times."

Another Walters comment voiced at the same social gathering: "Anybody who says flattery will get you nowhere has never had it."